

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Business Opportunity Fraud Act of  
Washington by:

FOUR VEND, INC., IV VEND, KEN FINNEY,  
its agents and employees,

Respondents.

SDO - 89 – 01

SUMMARY ORDER TO CEASE AND DESIST

Case No. 01-09-368

THE STATE OF WASHINGTON TO: Ken Finney  
Four Vend, Inc.  
124 E. 40<sup>th</sup> St., Ste. 302  
New York, NY 10016

Ken Finney  
Four Vend, Inc.  
PO Box 3  
Glen Head, NY 11545

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Four Vend, Inc. (Four Vend), IV Vend and Ken Finney have each violated the Business Opportunity Fraud Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 against each of them to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

SUMMARY ORDER TO CEASE AND DESIST

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FOUR VEND, INC.

**DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760**

## TENTATIVE FINDINGS OF FACT

### I.

1. Four Vend, Inc. has a principal business address of 124 E. 40<sup>th</sup> St., Ste. 302, New York, New York. Four Vend, Inc. is a seller of vending machine equipment. Four Vend, Inc. is doing business as IV Vend.

2. Ken Finney is the owner or principal of Four Vend.

### II.

3. As a result of an advertisement placed in the Tri-City Herald newspaper in March of 2000 at least one Washington resident contacted the Respondents via telephone. Subsequently, the Washington resident received a packet of information regarding the vending machines that were being offered for sale and also had multiple phone conversations with individuals at Four Vend. The material provided to the purchaser did not include sufficient disclosure documentation including litigation history, or completed financial statements of the company. The Washington resident was told that the services of a locator were included in the purchase price. The locator was to come to Washington and help find locations for the purchaser to place the vending machines purchased through Four Vend.

4. The Washington resident sent \$4000.00 to the respondent in exchange for ten vending machines and location assistance. The vending machines that were delivered to the purchaser were not the machines that he had requested, and were not the machines that he was told he would receive. To this date the Respondent has not delivered the vending machines that were ordered.

5. Upon delivery of the vending machines the purchaser contacted the party that was to aid in the placement of the machines. The locator stated that he would not travel to Washington to help in the placement but would try and find locations for the machines over the telephone. The locator's efforts were not effective, and were not what the Washington resident had been promised.

III.

6. Four Vend is not currently registered to sell its business opportunities in the state of Washington and has not previously been so registered.

IV.

7. The Securities Administrator finds that the continued offering of vending equipment in the manner described above presents a threat to the investing public. Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

**CONCLUSIONS OF LAW**

I.

The offer and/or sale of the vending opportunity as described above constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

II.

The offer and/or sale of said business opportunity is in violation of RCW 19.110.050(1) because Four Vend's business opportunity is not and has not been registered with the Administrator of Securities, prior to advertising, soliciting, or making of any offer and/or sale of the business opportunity in this state.

III.

The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW 19.110.120, the disclosure document and anti-fraud provisions of the Business Opportunity Fraud Act, respectively, because the Respondents failed to provide prospective purchasers a complete disclosure document containing complete material information regarding the vending opportunity and misled purchasers on the services the locator would provide.

**EMERGENCY**

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.110.050(1), RCW 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, and that

summary orders to cease and desist from those violations are in the public interest and necessary for the protection of the investing public.

### **SUMMARY ORDER**

Based on the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that respondents, Four Vend, Inc., IV Vend, Ken Finney, their agents, and employees each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.050(1), the section of the Business Opportunity Fraud Act requiring registration.

It is further SUMMARILY ORDERED that respondents, Four Vend, Inc., IV Vend, Ken Finney, their agents, and employees each cease and desist from violation of RCW 19.110.070, the disclosure document section of the Business Opportunity Fraud Act.

It is further SUMMARILY ORDERED that respondents, Four Vend, Inc., IV Vend, Ken Finney, their agents, and employees each cease and desist from violation of RCW 19.110.120, the anti-fraud section of the Business Opportunity Fraud Act.

### **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.110.150, and is subject to the provisions of Chapter 34.05 RCW. The Respondents, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Tyler Letey.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent.

1 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

2 DATED this 19<sup>th</sup> day of October, 2001.

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5 DEBORAH R. BORTNER  
6 Securities Administrator

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9 Approved By:

Presented by:

10 \_\_\_\_\_  
11 Michael E. Stevenson  
12 Chief of Enforcement

13 \_\_\_\_\_  
14 Tyler Letey  
15 Staff Attorney